

Message Text

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21

ORIGIN EB-07

INFO OCT-01 EUR-12 NEA-10 IO-10 ISO-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 XMB-02 /115 R

DRAFTED BY EB/OT/GCP:DTMORRISON:COMMERCE:BMARSH:JM

APPROVED BY EB/ITP:CWSCHMIDT

STR:HHENTGES

AGRICULTURE:RMCDONNELL

LABOR:JCOYLE

TREASURY:AGAUULT(INFO)

COMMERCE:BMARSH

NEA/IAI:MSTERNER(SUBS)

----- 126394

R 182339Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY TEL AVIV

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: ETRD, IS

SUBJECT: GSP: DISCUSSIONS WITH ECONOMIC COUNSELOR RAFF

REFS: STATE 168085, TEL AVIV 4549

1. ON JULY 18, SCHMIDT (EB/OT), HENTGES (STR), MARSH
(COMMERCE) AND MORRISON MET WITH ISRAELI ECONOMIC COUNSELOR
RAFF AND ECONOMIC OFFICER EVEN-ZOHAR TO DISCUSS UNRESOLVED
ISSUES RELATING TO GOI ASSURANCES NEEDED TO MEET SECTION
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502(B)3 REQUIREMENTS FOR GSP ELIGIBILITY.

2. SUBSTANCE OF US PRESENTATION IS CONTAINED IN NOTES OF
MEETING REPORTED BELOW, COPY OF WHICH HAS BEEN SUPPLIED TO

ISRAELI EMBASSY.

3. RAFF EXPRESSED GOI'S CONCERN THAT PROCESS OF GIVING ASSURANCES MIGHT BECOME PATTERN OF CONTINUOUS NEGOTIATION BETWEEN USG AND GOI. (HE WAS ASSURED THAT THIS WAS NOT US INTENT WHICH WAS SIMPLY TO WRAP UP LOOSE ENDS LEFT BY JUNE 24-27 CONSULTATIONS.) RAFF AGREED TO CONVEY US COMMENTS TO NEDIVI TO SEE WHAT MORE MIGHT BE DONE. HE NOTED THAT NEDIVI HAD ALREADY MADE EXCEPTIONAL EFFORT, WITHOUT SUCCESS, ON US REQUEST FOR INCLUSION OF ITEM 24.02.1000. HE ADDED THAT DELAY IN DECISIONS ON EIGHT ITEMS WHICH NEDIVI VIEWS AS LIKELY TO BE INCLUDED IN PRODUCT LIST AT LATER TIME REFLECTS FACT THAT DECISIONS INVOLVE OTHER AGENCIES (E.G., FINANCE, AGRICULTURE). TEXT OF US NOTES ON MEETING FOLLOWS

BEGIN TEXT: ON JULY 18, 1975, US REPRESENTATIVES MET WITH ISRAELI EMBASSY REPRESENTATIVES AND PRESENTED THE FOLLOWING CONCERN ABOUT UNRESOLVED ISSUES WITH RESPECT TO ISRAELI ASSURANCES RESULTING FROM CONSULTATIONS HELD IN WASHINGTON, JUNE 24-27, 1975.

A. NONINCLUSION OF THE FOLLOWING ISRAELI TARIFF HEADINGS IN THE PRODUCT LIST MENTIONED IN PARAGRAPHS 1 AND 2 OF THE DRAFT NOTE.

.....48.019990

.....73.101014

.....87.045039

B. FURTHER CONSIDERATION OF INCLUSION ON THE LIST OF THE FOLLOWING TARIFF HEADINGS.

.....39.011099

.....39.025071

.....84.225094

.....87.023031

.....87.023032

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.....87.023091

.....87.071013

.....87.071018

C. DELETION OF THE LAST SENTENCE OF PARAGRAPH 2(B) OF THE NOTE, THE 7-DIGIT AGGREGATION CRITERION.

D. US REQUEST FOR INCLUSION OF 24.02.1000 IN THE PRODUCT LIST. THE US ATTACHES PARTICULAR IMPORTANCE TO THIS ITEM. IT IS THE ONLY AGRICULTURAL ITEM ON WHICH THE US HAS REQUESTED ISRAELI ACTION.

.....WITH RESPECT TO DELETION OF HEADING 24.02.1000 AND
FURTHER CONSIDERATION OF THE EIGHT ITEMS LISTED IN (B)
ABOVE, NONINCLUSION OF THESE ITEMS IN THE PRODUCT LIST
WOULD RAISE A SERIOUS PROBLEM FOR THE UNITED STATES IN
LIGHT OF THE REQUIREMENTS OF SECTION 502(B)(3) OF THE
TRADE ACT OF 1974.

.....WITH RESPECT TO DELETION OF TARIFF HEADING 48.01.9990,
WE HAVE NOTED THE POSSIBLE EFFECT OF DUTY REDUCTIONS
ON THIS CATEGORY VIS-A-VIS SUPPLIERS OTHER THAN THE
UNITED STATES OR THE EUROPEAN ECONOMIC COMMUNITY. HOWEVER,
THE INCREASING SHARE OF THE ISRAELI MARKET HELD BY THE
EEC AND THE FALLING US SHARE MAKES INCLUSION OF THIS ITEM
PARTICULARLY IMPORTANT. IF THE ITEM IS INCLUDED ON THE

LIST NOW, AT SUCH TIME AS AN ISRAELI DUTY REDUCTION ON
THIS CATEGORY WOULD OTHERWISE BE REQUIRED BY THE
ASSURANCES CONTAINED IN THE NOTE, THE UNITED STATES
WOULD BE PREPARED TO CONSIDER A REVIEW AS PROVIDED FOR IN
PARAGRAPH 4 OF THE NOTE FOR POSSIBLE REMOVAL OF THIS
ITEM FROM THE LIST, TAKING INTO ACCOUNT THE SHARE OF
ISRAELI IMPORTS SUPPLIED BY THE UNITED STATES AND THE
EUROPEAN ECONOMIC COMMUNITY.

.....WITH RESPECT TO DELETION OF HEADINGS 87.04.5039 AND
73.10.1014 FROM THE LIST, WE COULD RELUCTANTLY AGREE TO
THEIR DELETION HAVING DRAWN ATTENTION TO PARAGRAPH 4 OF
THE DRAFT NOTE, AND THE POSSIBLE NEED TO RECONSIDER
INCLUSION OF THESE ITEMS ON THE LIST AT A FUTURE TIME.
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..... WITH RESPECT TO THE GOVERNMENT OF ISRAEL'S DESIRE TO
DELETE THE LAST SENTENCE OF PARAGRAPH 2B, SUCH DELETION
WOULD SIGNIFICANTLY LIMIT THE EFFECTIVENESS OF PARAGRAPH 2
IN ELIMINATING THE ADVERSE EFFECT OF PREFERENCES ON US
TRADE. IF SUCH DELETION OF LANGUAGE IS NECESSARY FOR
TECHNICAL REASONS, LOWERING OF THE PARAGRAPH 2B CRITERION
OF 400,000 DOLLARS TO 300,000 DOLLARS COULD RESTORE THE
FULL EFFECT OF ISRAELI ASSURANCES WHICH RESULTED FROM THE
JUNE 24-27 CONSULTATIONS. KISSINGER

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Draft Date: 18 JUL 1975
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
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Disposition History: n/a
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Disposition Remarks:
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06 JUL 2006

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GENEVA
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